

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 6783**

**BILL NUMBER:** SB 286

**DATE PREPARED:** Dec 18, 2001

**BILL AMENDED:**

**SUBJECT:** OMPP Contracting Procedures.

**FISCAL ANALYST:** Kathy Norris

**PHONE NUMBER:** 234-1360

**FUNDS AFFECTED:** X **GENERAL**  
**DEDICATED**  
X **FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill requires purchases of services for the Office of Medicaid Policy and Planning (OMPP) to be done by Request for Proposals (RFP) whenever the anticipated annual contract expenditures are more than \$25,000.

**Effective Date:** July 1, 2002.

**Explanation of State Expenditures:** This bill would require the Office of Medicaid Policy and Planning to use the RFP procurement procedure for the purchase of all services expected to cost more than \$25,000 per year.

*Background:* The Request for Proposals (RFP) is the state procurement process used for the purchase of goods or services for which price is not the sole factor in the selection of a vendor. The RFP process is a formal procedure that requires six to nine months (i.e., three to six months prior to release of RFP and three months to award). It may take longer depending upon the time required to develop the RFP specifications, quality of vendor responses, the time required for the evaluation process, and subsequent contract negotiations. This bill would prohibit OMPP from using the Department of Administration's policy-defined expedited process that allows an agency to procure a service contract for less than \$75,000 with an explanation and description of how the price and vendor was selected. If a purchased service is expected to be more than \$75,000, the Department of Administration (DOA) allows an expedited process, but DOA must be involved in the acquisition process or the agency must explain to DOA's satisfaction why a specific vendor is required to meet the needs of the agency.

This bill would prevent the OMPP from expediting any contract for services expected to cost more than \$25,000. The Office could potentially be delayed in implementing required or requested changes to the Medicaid program as a result.

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Family and Social Services Administration, Office of Medicaid Policy and Planning.

**Local Agencies Affected:**

**Information Sources:** Indiana Department of Administration, Procurement Manual at [www.in.gov/idoa/proc/procurment\\_manual.html#chap13](http://www.in.gov/idoa/proc/procurment_manual.html#chap13). Jay McQueen, Deputy Commissioner, Department of Administration, (317) 232-7636. Amy Brown, Legislative Liaison for the Family and Social Services Administration, (317) 232-1149.